

## Women Entrepreneurs in Jharkhand's MSME Sector: Challenges and Opportunities

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### Abstract

Women entrepreneurs in MSMEs in Jharkhand are paramount to economic growth, yet they face barriers such as limited access to finance, socio-cultural barriers, and inadequate market linkages. However, opportunities in handicrafts and agro-based industries, digital platforms, and government schemes give scope for further development. This paper studies the challenges and opportunities before women entrepreneurs in MSME Jharkhand with a review of recent government reports and policy analysis. Among other recommendations, it considers enhancing financial inclusion, skill development, and policies to support entrepreneurship. Improving digital literacy, market access, and procurement policies will create a more inclusive and sustainable entrepreneurial ecosystem. Resolving these issues can empower women entrepreneurs, multiply Jharkhand's MSME sector and integrate it into national and global markets.

**Keywords:** Women Entrepreneurs, MSMEs, Jharkhand, Financial Inclusion, Policy Support.

### Introduction

India's economy is built on Micro, Small, and Medium Enterprises (MSMEs). These contribute a good deal towards employment, industrial growth, and exports. Notably, women entrepreneurs in this sector have played a meaningful role in nurturing innovation and economic progress. However, these women-led MSMEs have been facing quite several challenges despite the government initiatives aimed at alleviating them. Most of these challenges are evident in states like Jharkhand, where women face socio-economic constraints, poor financial accessibility, and a lack of infrastructure to realize their full potential. Udyam registration portal data indicates that more than 2.2 crore MSMEs owned by women in India have been registered since the year 2020, with a steady rise in the number of their enterprises led by women. However, in Jharkhand, much of the lack is participation due to some restrictions caused by socio-economic barriers. Jharkhand ranks among the states with a lower percentage of women-owned MSMEs compared to some national averages, as indicated by IndiaStat (2024). The same report states that, according to Jharkhand MSME Department (2024), women entrepreneurs face financial illiteracy, market access, and availability of credit as major constraints to entrepreneurship growth. Even with such conditions, Jharkhand is a great place for women entrepreneurs, particularly in sectors like handicrafts and agro-based industries, textiles, and mining-related small things. Government schemes such as PMEGP, MUDRA loans, and One District One Product (ODOP) have been doing their bit in promoting women entrepreneurs-led MSMEs but yielded limited results because of red tape, ignorance, and socio-cultural barriers. The paper deals with challenges and opportunities for women entrepreneurs in the

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MSME sector of Jharkhand, focusing on aspects such as financial access, skill development, policy support, and market opportunities. By taking advantage of government policies and sharpening technological advancements, Jharkhand can empower women and build economic strength in the state.

### **Women Entrepreneurs in Jharkhand's MSME Sector: An Overview**

Much has changed in the field of women entrepreneurship in Jharkhand emerging mineral-rich state with a budding industrial base-for the MSME sector. The government of the state has enacted various policies for the promotion of women entrepreneurship, yet in Jharkhand, they are still a smaller slice of the cake as compared to the national average.

### **Current Status of Women-Led MSMEs in Jharkhand**

As per the Udyam Registration Portal (2024), women-run MSMEs in Jharkhand make up almost 10-12% of the ticker number of registered MSMEs for the state, which compares unfavourably with the national average of 22%. Per a report submitted by the Dept of MSMEs, Jharkhand, in 2024, most of these are micro-enterprises, working in the following broad sectors:

- Handicrafts and handlooms- say Tussar silk and bamboo products.
- Agro-based industries-dairy, food processing, and organic farming
- Mining-related small industries-supply of material and support services
- Service sector MSMEs-beauty, wellness, and educational services

### **Government Initiatives Supporting Women Entrepreneurs**

Jharkhand and the centre have collaborated and started initiatives to promote women-related MSMEs. Which are:

- **PMEGP (Prime Minister's Employment Generation Programme)**
  - In 2023-24, 2,385 women entrepreneurs in Jharkhand received financial support under PMEGP.
- **MUDRA Loans (Micro Units Development and Refinance Agency):**
  - Over ₹2,500 crore has been disbursed under the MUDRA Scheme in the state of Jharkhand for the period 2015 to 2024, with a significant share being disbursed by female entrepreneurs.
- **Jharkhand Industrial and Investment Promotion Policy (2021-26):**
  - One more benefit from His Excellency the President of India: you can easily see the respect being given to SC/ST in one sector and not in another.
- **One District One Product (ODOP) Scheme:**
  - Encourages district-based specialisation for benefits like Tussar silk weaving in Dumka and bamboo crafts in Gumla, thereby creating a platform for women entrepreneurs.
- **Skill Development and Training:**
  - Programs like Jharkhand Skill Development Mission train women in entrepreneurial skills, digital marketing, and business management.

Despite these efforts, women entrepreneurs still struggle to scale their businesses due to financial constraints, socio-cultural barriers, and market access challenges, which will be discussed in the next section.

### **Challenges Faced by Women Entrepreneurs in Jharkhand's MSME Sector**

Though women's entrepreneurship promotion is of utmost importance, there are barriers to the growth of women-led MSMEs in Jharkhand. Such hindrances fall broadly under the categories of finance, society, infrastructure, and policy.

- **Financial Constraints**
  - **Limited Access to Credit:** Assistance programs like MUDRA and PMEGP have indeed been getting some financial support into women's hands; nevertheless, many women fall short in obtaining loans due to collateral issues, poor credit ratings, and economic illiteracy. This is corroborated by the 2024 MSME Ministry Report, which states that only 30% of

women-led MSMEs in Jharkhand have access to formal banking credit. This aligns with **Abhilasha Patel, D. B. (2024)**, who found that access to collateral-free institutional finance remains a primary hurdle across India, with most women-owned MSMEs depending on self-financing and informal lending.

- **High Interest Rates & Loan Rejections:** Only due to perceived business risks do women-led businesses often face relatively equivalent interest rates or loan rejections.
- **Socio-Cultural Barriers**
  - **Traditional Gender Roles:** Home-based small business for Jharkhand women is usually expected to be conducted with the primary purpose of philanthropy, Similar social restrictions were reported by **Jain, D. S. (2021)**, who emphasized that gendered expectations in Jharkhand severely limit women's entrepreneurial risk-taking and scale of operations. with insignificant emphasis on earning, and that is never leading to home-based businesses becoming the primary livelihood source for these women over time.
  - **Lack of Family & Community Support:** According to a 2024 survey by the Jharkhand Chamber of Commerce, over 60% of women entrepreneurs reported a lack of family support as a major barrier to business expansion.
- **Limited Market Access & Business Networks**
  - **Difficulty in Reaching Larger Markets;** Most women-owned MSMEs mostly work on a small scale and have difficulty going beyond local markets because of their marketing strategies and the digital literacy of their workforce.
  - **Limited Participation in Trade Fairs & Exhibitions** Limited networking opportunities often hinder female entrepreneurs from accessing supply chains, investors, and customers.
- **Infrastructural & Digital Challenges**
  - **Poor Connectivity in Rural Areas:** Somehow inadvertently even while they remain in a remote location and face harsh circumstances, remote mothers, or women who own businesses; usually grapple with transport and logistics issues.
  - **Lack of Digital Skills:** This also illustrates that barely 35% of women entrepreneurs in Jharkhand are utilising digital platforms to promote their business. According to **Neha Choudhary, A. S. (2022)**. Digital illiteracy not only limits outreach but also prevents women from accessing fintech solutions that can ease credit bottlenecks. thus, restricting their prospects in the e-commerce sector, as described in the 2024 MSME Development Report.
- **Bureaucratic & Policy-Related Challenges**
  - **Cumbersome Business Registration & Licensing:** The process of registration and compliance is involved: this discourages many women entrepreneurs from wriggling from the confines of informality into the formal business space.
  - **Lack of Awareness about Government Schemes:** According to a study done by NIMSME in 2024, almost 50% of women entrepreneurs in Jharkhand were unaware of government subsidies and incentives provided for their businesses A similar lack of scheme awareness was documented in **Prajapati, N. (2023)**, where many rural women entrepreneurs failed to access support despite eligibility, due to communication gaps and bureaucratic complexity.

#### **The Need for Policy Reforms & Support Mechanisms**

It is imperative to ensure that financial inclusion policies are stronger, capacity-building programs are better, market linkages are improved, and bureaucratic processes simplified to grant women entrepreneurs much-needed opportunities and growth in the MSME sector in Jharkhand. The next section shall discuss opportunities and potential growth areas for women entrepreneurs in this sector.

#### **Opportunities for Women Entrepreneurs in Jharkhand's MSME Sector**

The sky's the limit with the far-reaching growth potential that women entrepreneurs hold in Jharkhand, particularly in a lot of areas, such as traditional, emerging, and government-supported sectors. Opening more opportunities might truly ensure greater inclusion in the state's MSME sector.

- **Growth in Traditional Sectors**
  - **Handicrafts and Handloom Industry:** Jharkhand is known for Tussar silk weaving, bamboo crafts, and tribal artwork. Through initiatives like ODOP, One District One Product, alongside rising international interest in sustainable products, women entrepreneurs will have the opportunity to sell their products more than just within the state, as they can access national and international markets.
  - **Agro-Based MSMEs:** On-demand, ready expansion for the women-driven organic farms, dairies, and Agri-processor units would be increased by the increasing consumer preference towards organic and locally sourced products.
- **Digital and E-Commerce Expansion**
  - **Online Marketplaces for MSMEs:** Apart from being a mainstream having direct customers directly connect, platforms like GeM (Government e-Marketplace), Amazon Saheli, and Flipkart Samarth have also enabled women entrepreneurs to rely on large consumer bases. A 2024 report by Invest India shows women-led e-commerce businesses increased revenue by 45% over traditional markets.
  - **Digital Financial Inclusion:** The ease with which women entrepreneurs secure credit via technology innovations like mobile banking and fintech solutions makes UPI, Paytm for Business, and MSME-focused loan platforms a particularly effective funding alternative.
- **Government and Private Sector Support**
  - **Women-Centric MSME Policies:** The Jharkhand Industrial and Investment Promotion Policy (2021-26) provides additional incentives, especially for women entrepreneurs, in terms of interest subsidy, capital assistance, and skill development programs.
  - **Corporate Partnerships & CSR Support:** Large companies in the mining and manufacturing sector in Jharkhand are partnering with women-led micro-, small, and medium enterprises for local sourcing and integration into supply chains.
- **Skill Development & Entrepreneurship Training**
  - **Government Skill Programs:** Institutions such as Jharkhand Skill Development Mission and NIESBUD (National Institute for Entrepreneurship and Small Business Development) are helping women build skills in business management, digital marketing, and financial planning.
  - **Incubation Centers & Start-Up Ecosystem:** During this period of rise of startup culture, women entrepreneurs in Jharkhand will try to take advantage of business incubators, mentorship programs, and funding support from organizations such as SIDBI (Small Industries Development Bank of India).
- **Sustainable & Green Business Opportunities**
  - **Eco-Friendly MSMEs:** Women entrepreneurs can target three growing sectors for sustainable products, such as organic farming, bamboo-based industries, and upcycled fashion.
  - **Renewable Energy-Based MSMEs:** Some business opportunities that exist in the manufacturing of solar products, ecotourism, and green technology solutions attract women.

#### **Potential for Scaling Up Women-Led MSMEs**

With the answer to use of digital tools, economic assistance, and policy incentives women entrepreneurs in Jharkhand can upgrade their businesses, become part of the global supply chain, and very well contribute to the economic growth of the state. The upcoming section deals with suggestions to improve women's participation in Jharkhand's MSME sector.

#### **Recommendations for Strengthening Women Entrepreneurship in Jharkhand's MSME Sector**

Targeted interventions in the financial, policy, digital, and social domains would therefore ensure participation and success for women entrepreneurs in Jharkhand's MSME sector. The recommendations

that follow will serve to remedy existing challenges and build a more inclusive entrepreneurial ecosystem for women of the state.

- **Improving Financial Access for Women Entrepreneurs**
  - **Simplified Loan Procedures & Lower Interest Rates:** Women entrepreneurs must be extended low-interest, collateral-free loans through government banks and financial institutions under schemes like MUDRA and PMEGP, with simplified application processes.
  - **Increased Awareness of Financial Support Schemes:** Various financial educational scholarships remain significantly unknown to women entrepreneurs. If financial literacy and development awareness programs are held at the grassroots level in every gram panchayat demarcating the panchayat and district levels, this will help in eradicating such a gap.
  - **Specialized Women MSME Funds:** The Jharkhand government ought to introduce specific financing programs for women's MSME organizations. These initiatives could be like the NITI Aayog's Women Entrepreneurs Platform (WEP).
- **Enhancing Market Access & Digital Integration**
  - **Encouraging E-Commerce Adoption:** Enhancing the digital marketing, online trading, and financial transaction elements for women entrepreneurs gives them a chance to grab the market well-beyond the local extremities.
  - **Increased Participation in Trade Fairs & Business Networks:** The government and private sector must promote more female-oriented MSME exhibitions and networking events that bring the women entrepreneurs together with buyers, financial investors, and policymakers.
  - **State-Sponsored Online Marketplace for Jharkhand MSMEs:** Increasing the online visibility for businesses owned and managed by women by creating a Jharkhand-oriented digital marketplace will strengthen the credibility of MSMEs.
- **Skill Development & Capacity Building**
  - **Women-Focused Skill Training Programs:** Programs currently existing, for example, the Jharkhand Skill Development Mission, need to put forward more entrepreneurship courses for women, especially in areas like agro-processing, textile manufacturing, and green entrepreneurship.
  - **Technical & Business Mentorship Support:** Collaboration between the Jharkhand government and NGOs, as well as industry bodies, should create mentorship programs wherein successful businesswomen mentor aspiring women entrepreneurs.
  - **Integration of Financial & Legal Training in MSME Policies:** Most women entrepreneurs face a myriad of challenges with business registrations, taxation, and compliance. The amalgamation of legal and financial advisory sessions could enable them to formalise their businesses.
- **Strengthening Policy Support for Women Entrepreneurs**
  - **Reserved Procurement Quotas for Women-Owned MSMEs:** It will help ensure market access for women-led MSMEs through at least 30% sourcing from them by including women's MSMEs in government and corporate procurement policies.
  - **Fast-Track Business Registration for Women Entrepreneurs:** By implementing this one-stop registration system for Udyam, more women would be encouraged to venture into the formal MSME sector.
  - **Stronger Implementation of Industrial Policies for Women Entrepreneurs:** The Jharkhand Industrial and Investment Promotion Policy (2021-26) needs to be held on a close leash so that women entrepreneurs derive intended benefits-the subsidies, allocation of land, and infrastructure support, among others.

- **Promoting Gender-Inclusive MSME Ecosystem**
  - **Community Awareness & Behavioural Change Initiatives** should conduct gender sensitisation programs to be able to motivate the traditional mindsets towards a better acceptance of women entrepreneurs in rural and semi-urban areas.
  - **Encouraging Women's Cooperatives & Self-Help Groups (SHGs):** This situation will ensure that all women organise themselves into groups for enabling them to increase resource pooling, to make knowledge sharing possible, and to make collective bargaining possible.
  - **Corporate Social Responsibility (CSR) Partnerships:** It is expedient that corporate, philanthropic private sector firms invest in women-led micro, small, and medium enterprises through CSR initiatives geared towards works such as skill development, digital literacy, and market penetration.

By implementing these recommendations, Jharkhand can create a more supportive ecosystem for women entrepreneurs, ultimately enhancing their contribution to the state's economic development. The next section will conclude the research by summarizing the key findings and outlook.

## Conclusion

Women entrepreneurs in that state are one of the fastest-growing groups of participants in the economic and social development of Jharkhand's MSME sector. However, certain financial, infrastructural, socio-cultural, and policy-related challenges continue to impede their growth and development. These challenges include limited access to credit, a lack of market linkages, inadequate digital skills, and bureaucratic hurdles. While areas with tremendous opportunities are opening to women entrepreneurs due to developing business ecosystems, digital platforms for marketing, and government-sponsored programs, the MSME scenario allows women entrepreneurs to develop with great advantages. With the intervention of targeted training, finance, and policy support, the sectors of handicrafts, agro-based ventures, e-commerce, and green industries can offer very good development opportunities. Targeted policy actions- simplified business registration, increased access to finance, digital literacy programs, and procurement reservations for women-led enterprises- need to be instituted to fully realize the potential of women-led MSMEs in Jharkhand. Initiatives to boost entrepreneurial networks, provide mentorship, and develop corporate partnerships will go a long way toward accelerating women's participation into the formal MSME ecosystem of Jharkhand and trade expansion globally. With ongoing support from policies, improved financial inclusion opportunities, and changes in societal attitudes, women entrepreneurs in Jharkhand have the key to unleash this MSME sector with engines of economic growth, innovation, and employment generation. With unleashing this potential, the state shall be on the way to increasing an inclusive and sustainable entrepreneurial environment that will pave the way for long-term economic viability.

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